**INNOVATE** Hawaii

"As a small Hawaii manufacturer with a limited budget there are few resources and qualified advisors/consultants to help educate and prepare a company to expand its market. I'm fortunate to have found the support and services provided by INNOVATE Hawaii. Their suggestions and vast network of resources helped me find solutions to my current business challenges." Cheryl To, Owner

## GINGER BEVERAGE COMPANY GETS AN ADDED KICK

**ABOUT.** In 2004, Cheryl To opened Pacifikool as a catering business in Honolulu, Hawaii. She came up with a signature ginger ale drink, using local farmers markets to share her popular beverage with the community. By 2006, demand from her customer base was so high that Ms. To transformed her business from catering to solely focusing on her ginger syrup and ginger drinks. At the time, Hawaii was the only state commercially growing ginger, so Ms. To was able to build the Pacifikool brand with 100 percent local ginger. She also started using Maui cane sugar. Today, with four employees, Pacifikool remains committed to supporting local farmers by using only locally sourced ingredients in their products.

**THE CHALLENGE.** Now a well-established business, Pacifikool is interested in expanding its customer base by exporting to new domestic and foreign markets. Ms. To connected with a buyer from Northern Japan through the U.S. Department of Agriculture and started exporting to that country. She was eager to reach the continental United States domestic market and identified Costco as a potential wholesale partner for Pacifikool ginger products. Costco featured the company in its Oaho "Roadshows"—a promising start. However, in order for Pacifikool products to be picked up by Costco, Ms. To had to pass a rigorous and intimidating inspection and audit period. While aware of the requirements, Ms. To did not know exactly what to expect or how to prepare for the audit.

**MEP'S ROLE.** Ms. To reached out to INNOVATE Hawaii, a NIST MEP affiliate, for further information related to exporting and preparation assistance for the Costco inspection. INNOVATE Hawaii connected her with licensed inspectors to help her prepare, and encouraged Ms. To to participate in a workshop series on exporting, as well as trainings on LEAN initiatives, ISO 9000 and Safe Quality Food (SQF). Each session proved extremely valuable, and Ms. To implemented the concepts to improve the Good Manufacturing Practices (GMP) and production process flow of Pacifikool. She is now ready to begin investing in equipment that can speed up production while increasing volume. These process improvement strategies will assure foreign distributors and Costco that Pacifikool is capable and qualified to supply safe quality food in large quantities. The company estimates a reduction in production expenses, a significant increase in production, and cost savings through enrolling in the INNOVATE Hawaii sessions.





## **RESULTS**



Reduced production expenses by 2%



Increased production by 20%



Cost-savings of \$6,000

## **NEXT STEPS**



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